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**From:** Matthew E. Cohn [mcohn@greensfelder.com]  
**Sent:** 9/27/2017 11:38:31 PM  
**To:** Wagner, William [wagner.william@epa.gov]  
**CC:** Stillman, Sarah [Stillman.Sarah@epa.gov]  
**Subject:** FW: USG Interiors - Red Wing, SO2 NAAQS  
**Attachments:** Admin Order by Consent.rtf; Draft Cover Letter.rtf

Bill,  
Please see the attached, which is the latest version from the MPCA. I look forward to talking with you tomorrow.  
Regards,

**Matthew E. Cohn**  
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**From:** Boeck, Cory (MPCA) [mailto:cory.boeck@state.mn.us]  
**Sent:** Wednesday, September 27, 2017 5:01 PM  
**To:** Hill, Mike; Kinser, Greg; Matthew E. Cohn  
**Cc:** Fredrickson, Leslie (MPCA)  
**Subject:** RE: USG Interiors - Red Wing, SO2 NAAQS

Greg, Mike, and Matt – Please review the attached Order. If it is acceptable, please sign and scan the signature page to me as soon as possible (by c.o.b September 28, 2017). In addition, please print three copies of the signature page and mail the ink signatures to me at: 12 Civic Center Plaza, Suite 2165, Mankato, Minnesota 56001

Please let me know if you have any questions.

Cory

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**From:** Hill, Mike [mailto:MHill@usg.com]  
**Sent:** Friday, September 08, 2017 13:26  
**To:** Kinser, Greg <GKinser@usg.com>; Boeck, Cory (MPCA) <cory.boeck@state.mn.us>  
**Cc:** Smith, Jeff J (MPCA) <jeff.j.smith@state.mn.us>; Bolden, John <JBolden@usg.com>  
**Subject:** RE: USG Interiors - Red Wing, SO2 NAAQS

**USG - CONFIDENTIAL**

Cory,  
Attached a redacted copy of the land lease and example of the fencing on the property controlled by USG.

Best Regards,

Mike Hill  
Plant Manager,  
USG Interiors, LLC



IT'S YOUR WORLD. BUILD IT.

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**From:** Kinser, Greg  
**Sent:** Thursday, September 07, 2017 11:42 AM  
**To:** Boeck, Cory (MPCA)  
**Cc:** Smith, Jeff J (MPCA); Hill, Mike; Bolden, John  
**Subject:** RE: USG Interiors - Red Wing, SO2 NAAQS

Hello Cory,

Thanks for the reply. The bullet points you provide should support the basis for MPCA to submit comments on EPA's intended nonattainment designation. In fact, in its Notification in Tuesday's Federal Register, the EPA has unambiguously invited the MPCA's comments. "[I]f the state ... does not agree with the EPA's modification [of the state's original proposed attainment/unclassifiable designation], it has an opportunity to respond to the EPA and to demonstrate why it believes the modification proposed by EPA is inappropriate." 82 FR 41903, 41906 (Sept. 5, 2017).

As explained by EPA in its 120-Day Letter and accompanying Technical Support Document (Aug. 22, 2017), EPA's proposed nonattainment designation for Goodhue County is based on USG's May 2017 modeling alone. USG intends to provide formal comments to EPA that USG's model is not an appropriate basis for making a nonattainment designation, and that USG has precluded public access to the limited modeled exceedance area through entering a lease with the landowner, installing fencing/appropriate signs, and relying on natural effective barriers.

As you state, modeling of actual or potential emissions is allowed for the purposes of designation under the DRR. However, the SO<sub>2</sub> NAAQS Designations Modeling Technical Assistance Document (TAD) - August 2016 states that potential emissions can be used for sources to "screen out" the need for additional, more refined modeling analyses, and actual emissions should be used if the potential emissions model over the NAAQS.

TAD Section 5.4 - "States may find that use of allowable or PTE emissions is simpler and may show that an area would attain the standard with those conservative assumptions. (Note, if the modeling based on allowable emissions does not show attainment, then use of actual emissions should be conducted.) An air agency may choose to follow this type of approach if a conservative analysis of this type would still indicate attainment in the area of interest. When using allowable emissions, the modeling exercise is no longer attempting to mimic a monitor but becomes more like a SIP or PSD/NSR application."

Therefore, under the DRR, the results of allowable emissions modeling are not directly relevant to the 1-hour SO<sub>2</sub> designation process.

As stated above, USG's position is that the USG modeling is not credible evidence for a nonattainment designation. Nonetheless, the May 2017 modeling was based on actual emissions, and since the completion of that modeling, USG has precluded public access to the area with the predicted exceedances. Based on the points you provided, the precluded access alone is legally adequate for EPA to change their intended designation to unclassifiable/attainment.

USG is not denying MPCA's ability to request a study on allowable emissions, but such a study of allowable emissions is not connected to the NAAQS designation. Therefore, the Administrative Order, only needs to formally recognize the precluded access to the modeled exceedance area. And while not technically necessary, the order could affirm USG's commitment to allowable emissions modeling in accordance with the

ordinary course of the Clean Air Act, current permit requirements, and similar MPCA air modeling requests for other facilities.

MPCA should comment to the EPA on the points discussed above, as comments from the MPCA may ultimately persuade the EPA to change its proposed designation, particularly if USG and MPCA (and thus indirectly EPA) cannot come to an agreement on dates in the current draft Administrative Order.

Enclosed is our revisions to the current draft Administrative Order for your review. We appreciate the sense of urgency.

Regards,  
Greg

**Greg Kinser**  
Director, Environmental

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**From:** Boeck, Cory (MPCA) [<mailto:cory.boeck@state.mn.us>]

**Sent:** Tuesday, September 05, 2017 6:02 PM

**To:** Kinser, Greg

**Subject:** RE: USG Interiors - Red Wing, SO2 NAAQS

Greg – the following is a response to the questions you asked at our meeting on August 31, 2017:

- The letter clearly outlines EPA's openness to new information to allow reconsideration of this initial designation
- At the time of issuance of its August 2017 initial designation letter, EPA had no enforceable document such as an AO in place that ensured restriction of public access to the area where an exceedance was modeled.
  - SO2 Designations in this third round of designations are done under the Data Requirements Rule.
  - Modeling of actual or potential emissions is allowed for the purposes of designation under the DRR
  - On May 1, 2017, EPA received credible modeling results based on actual emissions from the facility that identified an exceedance of the 2010 1-hour NAAQS for SO2 in an area off the facility's property.
  - These modeling results were received during the timeline for DRR Implementation and could not be ignored, even though they were submitted for another purpose.

We look forward to reviewing your edits/comments to the latest version on the AO.

Thanks

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**From:** Kinser, Greg [<mailto:GKinser@usg.com>]  
**Sent:** Wednesday, August 30, 2017 18:34  
**To:** Boeck, Cory (MPCA) <[cory.boeck@state.mn.us](mailto:cory.boeck@state.mn.us)>  
**Cc:** Smith, Jeff J (MPCA) <[jeff.j.smith@state.mn.us](mailto:jeff.j.smith@state.mn.us)>; Kohlasch, Frank (MPCA) <[frank.kohlasch@state.mn.us](mailto:frank.kohlasch@state.mn.us)>; Hill, Mike <[MHill@usg.com](mailto:MHill@usg.com)>  
**Subject:** USG Interiors - Red Wing, SO2 NAAQS

Cory-

Please find the attached letter regarding the potential designation of nonattainment of Goodhue County and the on-going negotiations of a potential Agreed Order.

Regards,  
Greg

**Greg Kinser**  
Director, Environmental

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